

# **EXHIBIT B**

# **Corporate Eagle Jet, LLC Investment Proposal**

**February 2006**



### Investment Summary

Corporate Eagle Jet, LLC will be formed as a Michigan Limited Liability Company and capitalized with \$5,000,000. Corporate Eagle Jet, LLC shall immediately purchase a thirty percent equity position in Tradewinds Aviation, Inc., a Michigan Corporation, for \$1,200,000. The primary objective of Corporate Eagle Jet, LLC, however, shall be to become the primary transaction company for the Corporate Eagle Flight Department. Tradewinds Aviation, Inc. will become the manager for Corporate Eagle Jet, LLC, with the full authority and responsibility to place five Raytheon Hawker 800XP aircraft in the Corporate Eagle Flight Department Michigan and Florida facilities. Corporate Eagle Jet, LLC will be specifically targeted for the purpose of purchasing previously owned Raytheon Hawker 800XP aircraft; upgrading and refurbishing the aircraft as required; then selling and leasing the aircraft in quarter or one-eighth shares to Corporate Eagle Flight Department clients. In addition, Corporate Eagle Jet, LLC will be positioned to purchase and resell trade-in aircraft to facilitate transactions, offer buy-back options and in general create flexibility to get transactions completed. Each Corporate Eagle aircraft will be purchased at discounted pricing and placed into a single purpose LLC. Eighty percent financing will be established from the fair market value for each Corporate Eagle aircraft.

Once the shares of the first aircraft are all sold or leased, Corporate Eagle Jet will then invest in a second Hawker 800XP and repeat the process. The objective of Corporate Eagle Jet, LLC is to repeat the purchase and resale or lease process until the Corporate Eagle Flight Department Hawker 800XP fleet is at a targeted level of five additional aircraft. It is anticipated that each aircraft from initial purchase to shares completely sold out will average less than twelve months.

Shares of aircraft that are sold will create a profit margin above the purchase and improvements cost. Leased shares will produce lease revenue consisting of interest and amortization computed from the sale price together with documentation fees and capital improvements escrow. Corporate Eagle Jet will depreciate the leased shares as aggressively as possible, which will shelter much of the investment income from tax. The partners will be provided an IRS form K-1 by the end of February each year.

From the time the first aircraft is purchased, until the shares are sold, Tradewinds Aviation will be responsible for the costs of aircraft insurance, hangar storage, aircraft maintenance, base flight crew and all sales and marketing. In addition, the members of Corporate Eagle Jet, LLC will be provided a zero fixed cost management contract which will allow the investors the opportunity to utilize the unsold aircraft shares for direct operating costs only.

Corporate Eagle Jet, LLC will pay to Tradewinds Aviation a transaction fee of two percent of the gross value for each sale or lease. In addition, Tradewinds Aviation will receive a two percent transaction fee to resell trade-in aircraft (compared to the industry standard of six percent – seven percent).

#### Hawker 800XP Purchase and Resale Budget

Purchase Price	\$ 7,670,000.	
Upgrades and Improvements	250,000.	
Corporate Eagle Jet Margin	<u>1,080,000.</u>	
 Total Resale Price	 <u>\$ 9,000,000.</u>	
 Quarter Share Price	 <u>\$ 2,250,000.</u>	
 One-Eighth Share Price	 <u>\$ 1,158,750.</u>	(Three Percent Premium For One-Eighth Shares)

**Monthly Lease Share Cash Flow**

One-Eighth Share

Share Value \$ 1,158,750.

**Three Year**

Amortization @ 17.5%

\$ 202,781.	@ 7.25%P&I .....	\$ 6,284.
\$ 995,969.	@ 7.25% .....	6,016.
Capital Reserves Escrow .....		729.
Documentation .....		<u>315.</u>

Three Year Monthly Payment .....\$ 13,344

**Five Year**

Amortization @ 22.5%

\$ 260,719.	@ 7.25%P&I .....	\$ 5,193.
\$ 898,031.	@ 7.25% .....	5,426.
Capital Reserves Escrow .....		729.
Documentation .....		<u>315.</u>

Five Year Monthly Payment.....\$ 11,663.

Quarter Share

Share Value \$2,250,000.

**Two Year**

Amortization @ 12.5%

\$ 281,250.	@ 7.25%P&I .....	\$ 12,624.
\$ 1,968,750.	@ 7.25% .....	12,305.
Capital Reserves Escrow .....		1,458.
Documentation .....		<u>315.</u>

Two Year Monthly Payment.....\$ 26,702.

**Three Year**

Amortization @ 17.5%

\$ 393,750.	@ 7.25%P&I .....	\$ 12,203.
\$ 1,856,250.	@ 7.25% .....	11,602.
Capital Reserves Escrow .....		1,458.
Documentation .....		<u>315.</u>

Three Year Monthly Payment .....\$ 25,578.

**Five Year**

Amortization @ 22.5%

\$ 506,250.	@ 7.25%P&I .....	\$ 10,084.
\$ 1,743,750.	@ 7.25% .....	10,535.
Capital Reserves Escrow .....		1,458.
Documentation .....		<u>315.</u>

Five Year Monthly Payment.....\$ 22,392.

**TRADEWINDS AVIATION, INC**  
**CORPORATE AIRCRAFT CAPITAL BUDGET PROJECTIONS**  
**SERIAL NUMBER:**

HS 125-800XP

YEAR	2006					
MONTH	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
DESCRIPTION					RH STR/GEN O/H	LH STR/GEN O/H
ESTIMATED COST					2,500	2,500
MONTH	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
DESCRIPTION						APU STR/GEN O/H
ESTIMATED COST						2,500
2006 TOTAL PROJECTION: \$7,500						

YEAR	2007					
MONTH	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
DESCRIPTION				RH STR/GEN O/H	LH STR/GEN O/H	
ESTIMATED COST				2,500	2,500	
MONTH	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
DESCRIPTION	LH ENG R&R		OXY MASK O/H			
ESTIMATED COST	9,000		10,000			
2007 TOTAL PROJECTION: \$24,000						

YEAR	2008					
MONTH	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
DESCRIPTION			RH STR/GEN O/H	24MO/1200HR STRU NDT & RPR LH STR/GEN O/H		APU STR/GEN O/H
ESTIMATED COST			2,500	62,500		2,500
MONTH	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
DESCRIPTION						
ESTIMATED COST						
2008 TOTAL PROJECTION: \$67,500						

YEAR	2009					
MONTH	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
DESCRIPTION		RH STR/GEN O/H	LH STR/GEN O/H			
ESTIMATED COST		2,500	2,500			
MONTH	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
DESCRIPTION						APU STR/GEN O/H
ESTIMATED COST						2,500
2009 TOTAL PROJECTION: \$7,500						

Projections based on 45 Flight Hours, 40 Landings and 55 APU Hours Per Month



**TRADEWINDS AVIATION, INC**  
**CORPORATE AIRCRAFT CAPITAL BUDGET PROJECTIONS**  
**SERIAL NUMBER:**

HS 125-800XP

YEAR	2010					
MONTH	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
DESCRIPTION	RH STR/GEN O/H	LH STR/GEN O/H	LH AC GEN O/H RH AC GEN O/H	48MO/2400HR INSP STRU NDT & RPR		
ESTIMATED COST	2,500	2,500	13,000	120,000		
MONTH	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
DESCRIPTION						RH STR/GEN O/H
ESTIMATED COST						2,500

2010 TOTAL PROJECTION: \$140,500

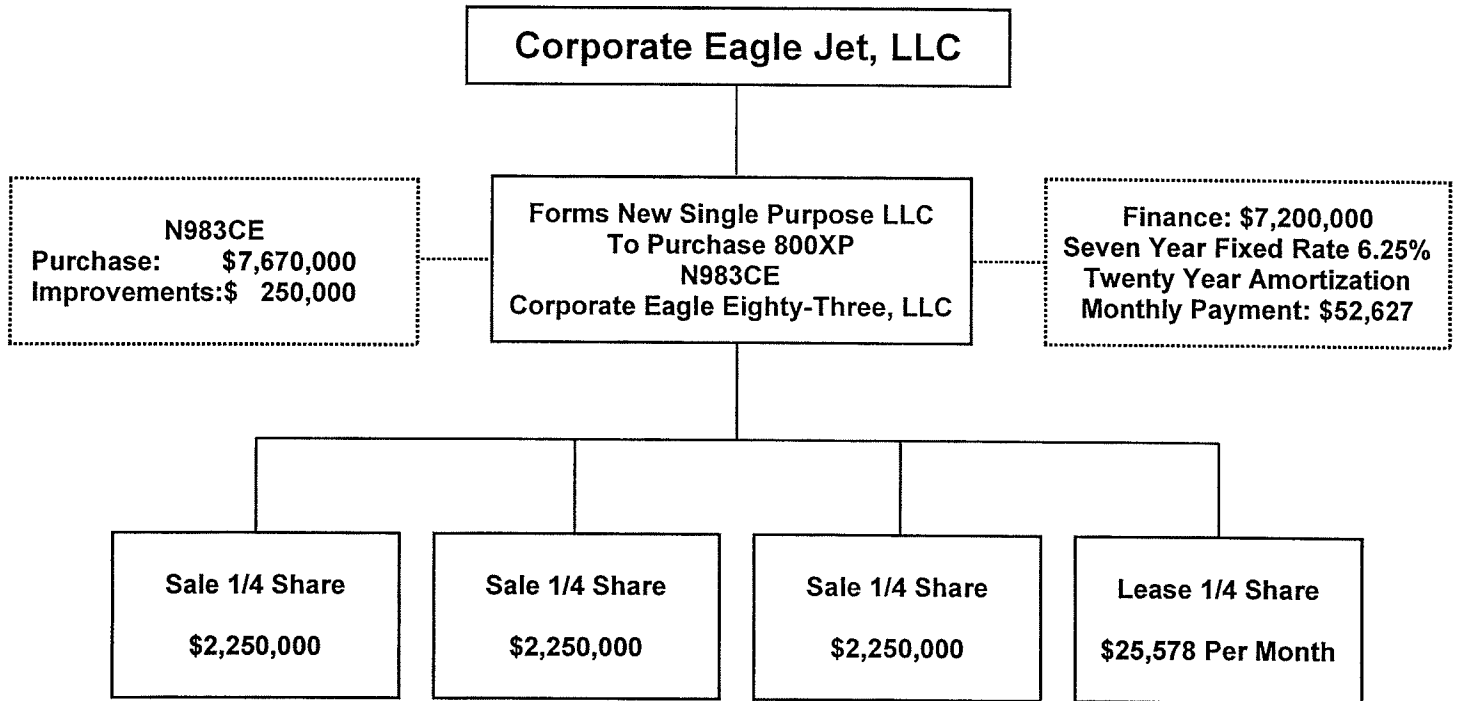
YEAR	2011					
MONTH	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
DESCRIPTION	LH STR/GEN O/H		LH AIRBK JACK O/H RH AIRBK JACK O/H	LH MXRT INBD O/H LH MXRT OTBD O/H RH MXRT INBD O/H RH MXRT OTBD O/H	LH ENG GBX R&R RH ENG GBX R&R	APU STR/GEN O/H
ESTIMATED COST	2,500		8,000	12,000	9,000	2,500
MONTH	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
DESCRIPTION	LH ENG R&R RH ENG R&R				RH STR/GEN O/H	LH STR/GEN O/H
ESTIMATED COST	9,000				2,500	2,500

2011 TOTAL PROJECTION: \$48,000

Projections based on 45 Flight Hours, 40 Landings and 55 APU Hours Per Month

Total Six Year Capital Budget	\$ 295,000
Plus One Paint and Interior	<u>125,000</u>
<b>TOTAL</b>	<b>\$ 420,000</b>
One-Eighth Share Average Per Month	\$ 729
One-Quarter Share Average Per Month	\$ 1,458

## Corporate Eagle Jet, LLC Transaction Example



**CORPORATE EAGLE JET, LLC  
TEN YEAR RETURN ON INVESTMENT ANALYSIS  
PROJECTED FINANCIAL STATEMENT ASSUMPTIONS**

The income and cash flow projection assumptions include purchasing, refurbishing, then reselling seventy-five percent of the client shares and leasing twenty-five percent of the client shares for five total aircraft in ten years. The assumptions also include costs of \$15,000 for legal, accounting and registration fees for each of the first three years; then \$10,000 each year in years four and five. All lease income projections are based on three-year lease contract revenues.

1. Seventy-five percent of all aircraft shares are sold
2. Twenty-five percent of all aircraft shares are leased
3. Depreciation is based on a seven-year straight line basis
4. Tradewinds Aviation's transaction fee is two percent on the gross sale or lease value
5. Excess cash is invested at three percent
6. Additional aircraft will be purchased after the previous aircraft is completely sold out
7. Lease income is projected at a three-year quarter share rate
8. Currently, aircraft financing contract terms are 6.25% fixed rates with a 20 year amortization
9. Member distributions after \$3,800,000 in cash



**CORPORATE EAGLE JET, LLC**  
**TEN YEAR RETURN ON INVESTMENT ANALYSIS**  
**PROJECTED INCOME STATEMENT**

	1st Year-06 Total	2nd Year-07 Total	3rd Year-08 Total	4th Year-09 Total	5th Year-10 Total	5 Year Total
Aircraft 1 Resale of 3/4 Shares Lease of 1/4 Share	6,750,000.00 153,468.00	306,936.00	306,936.00	306,936.00	306,936.00	\$ 6,750,000.00 1,381,212.00
Aircraft 2 Resale of 3/4 Shares Lease of 1/4 Share		6,750,000.00 153,468.00	306,936.00	306,936.00	306,936.00	6,750,000.00 1,074,276.00
Aircraft 3 Resale of 3/4 Shares Lease of 1/4 Share			6,750,000.00 153,468.00	306,936.00	306,936.00	6,750,000.00 767,340.00
Aircraft 4 Resale of 3/4 Shares Lease of 1/4 Share				6,750,000.00 153,468.00	306,936.00	6,750,000.00 460,404.00
Aircraft 5 Resale of 3/4 Shares Lease of 1/4 Share					6,750,000.00 153,468.00	6,750,000.00 153,468.00
Total Income	6,903,468.00	7,210,404.00	7,517,340.00	7,824,276.00	8,131,212.00	37,586,700.00
Cost and Expenses						
Costs and Improvements	5,940,000.00	5,940,000.00	5,940,000.00	5,940,000.00	5,940,000.00	29,700,000.00
Capital Improvements	8,748.00	26,244.00	43,740.00	61,236.00	78,732.00	218,700.00
Tradewinds Aviation Fee	180,000.00	180,000.00	180,000.00	180,000.00	180,000.00	900,000.00
Interest	268,697.66	379,125.26	486,296.53	590,003.73	690,025.90	2,414,149.08
Legal, Accounting and Registration	15,000.00	15,000.00	15,000.00	10,000.00	10,000.00	65,000.00
Depreciation	282,857.14	565,714.28	848,571.42	1,131,428.56	1,414,285.70	4,242,857.10
Total Costs and Expenses	6,695,302.80	7,106,083.54	7,513,607.95	7,912,668.29	8,313,043.60	37,540,706.18
Income Before Investment Income	208,165.20	104,320.46	3,732.05	(88,392.29)	(181,831.60)	45,993.82
Investment Income	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	570,000.00
Net Income/ K1	\$ 322,165.20	\$ 218,320.46	\$ 117,732.05	\$ 25,607.71	\$ (67,831.60)	\$ 615,993.82

February 27, 2006

**CORPORATE EAGLE JET, LLC**  
**TEN YEAR RETURN ON INVESTMENT ANALYSIS**  
**PROJECTED INCOME STATEMENT**

	6th Year-11	7th Year-12	8th Year-13	9th Year-14	10th Year-15	10 Year
	Total	Total	Total	Total	Total	Total
Aircraft 1						
Resale of 3/4 Shares	306,936.00	306,936.00	306,936.00	306,936.00	306,936.00	6,750,000.00
Lease of 1/4 Share						2,915,892.00
Aircraft 2						
Resale of 3/4 Shares	306,936.00	306,936.00	306,936.00	306,936.00	306,936.00	6,750,000.00
Lease of 1/4 Share						2,608,956.00
Aircraft 3						
Resale of 3/4 Shares	306,936.00	306,936.00	306,936.00	306,936.00	306,936.00	6,750,000.00
Lease of 1/4 Share						2,302,020.00
Aircraft 4						
Resale of 3/4 Shares	306,936.00	306,936.00	306,936.00	306,936.00	306,936.00	6,750,000.00
Lease of 1/4 Share						1,995,084.00
Aircraft 5						
Resale of 3/4 Shares	306,936.00	306,936.00	306,936.00	306,936.00	306,936.00	6,750,000.00
Lease of 1/4 Share						1,688,148.00
Total Income	1,534,680.00	1,534,680.00	1,534,680.00	1,534,680.00	1,534,680.00	45,260,100.00
Cost and Expenses						
Costs and Improvements	-	-	-	-	-	29,700,000.00
Capital Improvements	87,480.00	87,480.00	87,480.00	87,480.00	87,480.00	656,100.00
Tradewinds Aviation Fee	-	-	-	-	-	900,000.00
Interest	517,430.29	498,934.57	479,258.94	458,328.17	436,062.17	4,804,163.22
Legal, Accounting and Registration	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	115,000.00
Depreciation	1,414,285.70	1,414,285.70	1,131,428.44	848,571.08	565,714.30	9,617,142.32
Total Costs and Expenses	2,029,195.99	2,010,700.27	1,708,167.38	1,404,379.25	1,099,256.47	45,792,405.54
Income Before Investment Income	(494,515.99)	(476,020.27)	(173,487.38)	130,300.75	435,423.53	(532,305.54)
Investment Income	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	1,140,000.00
Net Income/ K1	\$ (380,515.99)	\$ (362,020.27)	\$ (59,487.38)	\$ 244,300.75	\$ 549,423.53	\$ 607,694.46

February 27, 2006

**CORPORATE EAGLE JET, LLC**  
**TEN YEAR RETURN ON INVESTMENT ANALYSIS**  
**PROJECTED BALANCE SHEETS**

	2006	2007	2008	2009	2010
Cash	\$ 3,800,000.00	\$ 3,800,000.00	\$ 3,800,000.00	\$ 3,800,000.00	\$ 3,800,000.00
Aircraft 1 1/4 Share	1,980,000.00	1,980,000.00	1,980,000.00	1,980,000.00	1,980,000.00
Less Accumulated Depreciation	(282,857.14)	(565,714.28)	(848,571.42)	(1,131,428.56)	(1,414,285.70)
Aircraft 2 1/4 Share		1,980,000.00	1,980,000.00	1,980,000.00	1,980,000.00
Less Accumulated Depreciation		(282,857.14)	(565,714.28)	(848,571.42)	(1,131,428.56)
Aircraft 3 1/4 Share			1,980,000.00	1,980,000.00	1,980,000.00
Less Accumulated Depreciation			(282,857.14)	(565,714.28)	(848,571.42)
Aircraft 4 1/4 Share				1,980,000.00	1,980,000.00
Less Accumulated Depreciation				(282,857.14)	(565,714.28)
Aircraft 5 1/4 Share					1,980,000.00
Less Accumulated Depreciation					(282,857.14)
<b>Total Assets</b>	<b>\$ 5,497,142.86</b>	<b>\$ 6,911,428.58</b>	<b>\$ 8,042,857.16</b>	<b>\$ 8,891,428.60</b>	<b>\$ 9,457,142.90</b>
Bank Note Payable	1,804,224.92	3,557,404.24	5,256,281.63	6,897,393.02	8,477,053.38
Investment/Equity	3,800,000.00	3,692,917.94	3,354,024.34	2,786,575.53	1,994,035.58
Net Income/ K-1	322,165.00	218,320.46	117,732.05	25,607.71	(67,831.60)
Member Distributions	(429,247.06)	(557,214.06)	(685,180.86)	(818,147.66)	(946,114.46)
	\$ 5,497,142.86	\$ 6,911,428.58	\$ 8,042,857.16	\$ 8,891,428.60	\$ 9,457,142.90
Return on Initial Investment Before Depreciation	\$ 581,022.34	\$ 760,034.74	\$ 942,303.47	\$ 1,133,036.27	\$ 1,322,454.10

